

1                                   BEFORE THE  
2                                   ILLINOIS COMMERCE COMMISSION  
3       IN THE MATTER OF:  
4       ComEd's 2008-2001 Energy                                   ) No. 07-0539  
5       Efficiency Portfolio                                        ) No. 07-0540  
6    ) No. 07-0541  
7  
8                                   Public Forum  
9                                   485 East State Street  
10                                  Rockford, Illinois  
11  
12                                  November 29, 2007  
13                                  Met pursuant to notice at 7:00 p.m.  
14       BEFORE:  
15           CHIEF PUBLIC HEARING OFFICER ROBERT R. BENSKO.  
16       ALSO PRESENT:  
17           MR. CHAIRMAN BOX  
18               Chairman of the Illinois Commerce Commission  
19           MR. GENE BEYER  
20               Bureau Chief, Public Utilities Division  
21           SULLIVAN REPORTING COMPANY, by  
22           Tracy L. Overocker, CSR

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1           CHIEF PUBLIC HEARING OFFICER BENSKO: I call  
2   this hearing to order, Rockford, Illinois,  
3   November 29th, 2007. ComEd Case No. 07-0540, DCEO  
4   Case No. 07-0541.

5                   Good evening. Welcome to the Illinois  
6   Commerce Commission's public hearing. Tonight with  
7   me from the Illinois Commerce Commission is Chairman  
8   Box, who is seated the over there to my right and  
9   your left. Chairman Box was a 12-year former mayor  
10   of the City of Rockford and now he is the chairman of  
11   the Illinois Commerce Commission. And seated also to  
12   my right is Gene Beyer, Gene is the bureau chief of  
13   the Public Utilities Division.

14                   I'm Robert Bensko and I will  
15   conduct -- I will have conducted three hearings in  
16   energy efficiency and demand response measure cases.  
17   I conducted one last Tuesday, tonight, and then  
18   Tuesday, December 4th in Chicago at the Michael A.  
19   Bilandic Building.

20                   Tonight, we will like to hear your  
21   comments on two proposals currently before the ICC  
22   regarding how ComEd and the State Department of

1 Commerce and Economic Opportunity can implement new  
2 state policy requiring electric utilities to use  
3 cost-effective electric consumption. Comments on  
4 anything other than the subject matter at hand will  
5 not be accepted. If anyone has the complaint about  
6 service or billing or any other subject, I ask you to  
7 meet with a representative from the company after the  
8 hearing or call the ICC Consumer Services Division at  
9 1-800-524-0795.

10 A new law requiring electric utilities  
11 to use cost-effective energy efficiency and demand  
12 response measures was approved by the legislature and  
13 signed by of the governor in August. Ameren, ComEd  
14 and the State Department of Commerce and Economic  
15 Opportunity have filed plans to satisfy the energy  
16 efficiency and demand response measures and the ICC  
17 must approve these plans within the next two months.

18 If you would like to comment on the  
19 plans tonight, I will call the name in the order in  
20 which you signed up to speak. When called upon,  
21 please state your name clearly and spell it so that  
22 the court reporter has an accurate record for the

1 transcript presented tonight.

2                   Copies of Ameren's, ComEd's and the  
3 Department of Commerce and Economic Opportunity's  
4 plans are available on the ICC Web site. The Web  
5 site is ICC.Illinois.gov and you can file comments  
6 through the Web site as well. The energy efficiency  
7 and demand response information is at the top of the  
8 main Web page and there are directions on how to file  
9 a comment. The docket numbers in these three cases  
10 are Document No. 07-0539 for Ameren's plan; 07-0540  
11 for ComEd's plan; and Docket No. 07-0541 for  
12 Department of Commerce and Economic Opportunity's  
13 plan.

14                   We will begin with a summary of the  
15 plans for ComEd and the Department of Commerce and  
16 Economic Opportunity before we take comments. If you  
17 have questions, please save them until briefing --  
18 the briefings are so concluded.

19                   Right now, I ask Anne Pramaggiore,  
20 Executive Vice President of Customer Operations  
21 Regulatory and External Affairs, to begin. After the  
22 conclusion of ComEd's presentation, I will have Hans

1 Detweiler, the Deputy Director for Energy and  
2 Recycling from the Department of Commerce and  
3 Economic Opportunity to then present their plan.

4 Following that, I will have a  
5 question-and-answer period. If you haven't signed up  
6 to speak tonight and after the conclusion of both of  
7 their presentations you wish to speak, I will allow  
8 that. I'll just call for anyone else in the  
9 audience, but I ask to you, remember, state your name  
10 and spell it clearly so that the court reporter has  
11 an accurate record.

12 Are there any procedural questions  
13 before we start?

14 (No response.)

15 Seeing none.

16 MS. ANNE PRAMAGGIORE: Good evening. I'm Anne  
17 Pramaggiore from ComEd and I'm very excited to be  
18 here tonight to talk about these terrific programs.  
19 These are programs that many stakeholders in Illinois  
20 have been working on for a number of years and we're  
21 very excited that it's finally time to put these in  
22 place and get rolling with them and we're excited and

1 honored that we, as ComEd, have the ability to offer  
2 these programs to customers.

3 What I'm going to do this evening is  
4 walk you through the what, the why and the how. What  
5 these programs are; why we're doing them; and how we  
6 arrived at the programs, how the programs will work;  
7 and how we intend to reach out to customers to make  
8 them available, that's what I want to cover.

9 We made a filing at the Commission on  
10 November 15th and expect an order in mid-February.  
11 The programs in this filing will begin being launched  
12 in June of 2008. As the title says on my  
13 presentation, Illinois on the forefront of  
14 environmentalism. These programs really do propel  
15 Illinois to the forefront on energy efficiency.

16 After about four years, these programs  
17 will ramp-up and Illinois will be second in the  
18 country in terms of energy reduction, second only to  
19 California. ComEd will rank third among utilities in  
20 terms of energy reduction for its customers and we're  
21 excited about that.

22 So what will this portfolio do? It

1 reduces energy consumption by about 1.2 million  
2 megawatt hours, that's enough energy to power 140,000  
3 houses for a year. It reduces peak load by about 330  
4 megawatts. That will eliminate the need for a large  
5 peaker or a single-unit coal plant. It will reduce  
6 carbon. It's equivalent to removing about 100,000  
7 cars from the road and it's going to save customers a  
8 net \$155 million after the program costs are paid for  
9 over the life of the programs.

10 And as I said before, positions,  
11 Illinois is a national leader and ComEd as well in  
12 energy efficiency. We think that in a world where we  
13 all agree climate change is real. Energy prices are  
14 being given by global dynamics, India and China  
15 competing for energy. Prices are driven by that  
16 supply-and-demand equation. Prices tend to be  
17 rising, we think now is the time to offer this  
18 opportunity to customers to manage their bills to  
19 provide them with information and tools to reduce  
20 their energy usage and these bills.

21 So what -- what -- what does the  
22 legislation require us to do? The legislation sets



1 targets or goals, it also sets a budget, in essence,  
2 and then it provides a value proposition for  
3 customers. In terms of the targets or goals, it's .2  
4 percent of projected load for the planning year in  
5 2008; 4 percent in 2009; and .6 percent in 2010.  
6 This ramps up to 2 percent in 2015. We've only  
7 covered the first three years because the plan that  
8 we filed in November is a three-year plan, but the  
9 legislation does require a ramp-up to 2 percent by  
10 2015. And as you can see, the megawatt hours are  
11 laid out there which adds up to about 1.2 million  
12 megawatt hours, as I indicated earlier.

13                   So those are our goals. That's what  
14 we're targeting to achieve. The legislation also  
15 sets a budget. It tells us that we cannot charge  
16 customers more than a half percent increase or add  
17 more than a half percent increase onto their bill per  
18 year in order to achieve these targets, so that's the  
19 budget that we have to work with it and it plateaus  
20 out at a little over 2 percent and that's in about  
21 the fourth year.

22                   And then finally, the value

1 proposition, as I indicated before, we expect net  
2 benefits of about \$155 million over the life of the  
3 programs. The cost for customers is about \$250  
4 million over the first three years, that's the  
5 equivalent of about \$3 a year per customer in the  
6 first year and it ramps up to about \$9 a year per  
7 customer at the end of the plan period.

8 I also want to point out that the  
9 responsibility for developing and delivering these  
10 programs falls not only on ComEd, but the on the  
11 Department of Commerce and Economic Opportunity.  
12 Hans Detweiler is going to speak to you next about  
13 their portion of the programs. We're very excited to  
14 be partnering with them. We think the combination of  
15 the programs that we're going to offer and the  
16 programs that DCEO will offer provide a broad-based  
17 series of options or portfolio of options for  
18 customers.

19 This next page is a chart that  
20 basically translates, in part, into numbers, what I  
21 just indicated. The first line shows you the targets  
22 or the energy reductions that I spoke of. The second

1 line translates it into megawatt hours goals. The  
2 third line we haven't talked about, the megawatt  
3 goals. There is a demand response component to the  
4 legislation and to our filing and this is different  
5 from energy efficiency. Energy efficiency is  
6 essentially activities or programs that allow you to  
7 reduce your energy sort of over time, across the  
8 board, you put in a compact florescent light bulb and  
9 you will continually use less energy.

10 Demand response, on the other hand,  
11 targets a particular point in time when we hit our  
12 peaks, usually in the summer. And what those kind of  
13 programs do is seek to reduce usage during the peak  
14 hours, the hours where energy is most costly and  
15 thereby have an effect on the overall price and we do  
16 have demand response programs in the portfolio.  
17 Nature first is our demand response program for  
18 residential customers. This is a program where we  
19 actually attach a switch to a central  
20 air-conditioning unit and we cycle customer's  
21 air-conditioners on and off during the peak hours  
22 within a frame work that the customer knows about, a

1 certain number of hours over a certain period of  
2 time. So we have a megawatt goal associated with  
3 that program, again which is a demand response  
4 program.

5 The spending screen, that's our  
6 budget, which I talked about. And as you can see, it  
7 breaks down to about \$40 million the first year.  
8 We'll be spending about \$80 million the second year.  
9 And about 125, \$126 million the third year.

10 I talked about the cost to customers,  
11 that's about \$3 a year the first year ramping up to  
12 about \$9 a year the third year. This is the per  
13 kilowatt hour charge associated with it. Our  
14 kilowatt hour charge right now for residential  
15 customers is about 10 and a half cents, so you can  
16 have 4/100 of a cent ramping up to 13/100 of a cent,  
17 it's a pretty small impact on a customer's bill,  
18 particularly given the benefits we see from these  
19 programs.

20 So the how, how did we get here? Once  
21 the legislation was passed and we had the general  
22 framework that I just described for you, the targets,

1 the budget and the value proposition for customers,  
2 we worked with stakeholders throughout the state to  
3 try to develop the programs to really find out what  
4 were the most effective programs to customers, what  
5 did the stakeholder community want to see and we held  
6 a number of workshops in collaboration with both  
7 Ameren and DCEO. The first was a kickoff meeting  
8 that actually happened to coincide with the signing  
9 of the bill, which was somewhat serendipitous, but it  
10 worked out, we didn't plan it that way, and we had a  
11 large meeting, a kickoff meeting just to walk through  
12 the legislation and try to generate a common  
13 understanding of the legislation.

14 We had subsequent meetings where we  
15 invited national experts to come in to comment on  
16 their experience around the country and share with us  
17 what programs were effective, where they had less  
18 effective programs, basically, bring their learnings  
19 of what's happening in other states to us.

20 Meetings in September and October were  
21 really focused on looking at the portfolio that we  
22 had put together in allowing stakeholders to comment

1 on the very specific portfolio elements and then we  
2 had a number of one-on-one meetings as well to try to  
3 get even more detailed input.

4                   So we're very committed to  
5 collaborating with the stakeholder community, the  
6 consumer groups, the environmental groups. There's a  
7 lot of parties that have an interest in these  
8 programs and we worked with everyone who was  
9 interested and invited them to the table to give us  
10 their feedback on the programs we intend to continue  
11 with that sort of approach as we move forward.

12                   This is an overview of the programs  
13 that ComEd and DCEO will be offering. It gives you a  
14 broad sense of what the entire portfolio will look  
15 like. As you can see, they break down into roughly  
16 five buckets; residential programs, business  
17 programs, public sector programs that Hans will talk  
18 about directed towards municipalities, school  
19 solutions and low-income solutions. Again, those  
20 last three, DCEO will be providing to customers and  
21 will be talking about in more detail. But as you can  
22 see, there's a wide range of programs and it's really

1     designed to provide value to all classes of customer.  
2                     I wanted to just point out down at the  
3     bottom, there's also a number of functions that will  
4     be provided to our customers, I think of them as  
5     support programs, information, energy audits. So in  
6     addition to programs that customers can get into,  
7     light bulbs or recycling programs that will help them  
8     reduce their bills, there's also going to be a  
9     structure associated with that that will help  
10    customers become more informed about energy usage to  
11    actually find out more about their own energy usage  
12    through on-line audits and some very simple  
13    techniques. So, again, there's a number of  
14    programs -- support programs around the actual  
15    programs.

16                    I'm going to spend a couple minutes  
17    talking about the programs themselves. We have a  
18    number of residential programs, some of which will be  
19    launched immediately in June of 2008, the first  
20    launch date, and some of them will be blended into  
21    the program over the three years.

22                    The first three programs that we'll be

1 launching, the residential lighting and appliance  
2 recycling and the multi-family all-electric sweep are  
3 programs that we've seen very successfully  
4 implemented around the country. ComEd has actually  
5 run a couple compact fluorescent lighting programs in  
6 the last couple years and have had a lot of success.  
7 We've moved a lot of light bulbs and moved them very  
8 quickly. We'll be expanding that, we'll be bringing  
9 in several million light bulbs in this first round in  
10 June of 2008 and we'll be discounting those bulbs  
11 just as we have in the past. Typically they cost  
12 about \$3, we'll be discounting them to somewhere  
13 between \$1 and \$1.50, so customers will get a very  
14 good value out of that.

15                   We recommend to customers -- the  
16 average customer in our service territory sees about  
17 a \$75 a month bill, we recommend that they use six  
18 compact florescent bulbs. If you change out six  
19 bulbs in high-use areas, you don't want to put them  
20 in a closet somewhere where you don't actually get  
21 much use out of your light bulb, but if you put six  
22 of them in high use areas, you can reduce your bill



1 by about 4 percent. So what would cost you \$6 to  
2 make that change, you can save about \$40 over the  
3 course of a year, so it's a pretty good value  
4 proposition on the light bulbs. We feel strongly  
5 about them.

6                   The second program that we'll be  
7 launching in June is appliance recycling. In this  
8 program, we will be offering incentives to customers  
9 to actually go to their homes and pull out the second  
10 refrigerator that's sitting in the garage, we know  
11 it's inefficient, we know it's an old one, we want to  
12 pull it out there and we'll offer customers an  
13 incentive to do that. And it really has two  
14 benefits. One is pulling that off the grid it  
15 reduces energy usage, that's a obvious. The other  
16 benefit is, we're going to take that appliance to one  
17 of the most progressive recyclers in the country and  
18 what they can do in the recycling process is actually  
19 reduce -- pull more carbon out of the world than by  
20 just taking the refrigerator off the grid. So by  
21 recycling the refrigerator properly -- and we'll also  
22 have air-conditioning units associated with this, we

1 expect to make an environmental impact that --  
2 through the appropriate recycling. So that's our  
3 second program.

4                   The third program that we will launch  
5 in June 2008 for residential customers is our  
6 all-electric sweep program. We'll send a team of  
7 energy-efficient technicians into a multi-unit  
8 building, they will hit every apartment or  
9 condominium in that building, they'll change out  
10 light bulbs, they'll put in weather striping, they'll  
11 change out shower heads to put in low-flow shower  
12 heads seeking to make about -- we're looking for  
13 about a 10 percent reduction in energy usage through  
14 that sweep program.

15                   I'll briefly mention two other  
16 programs for residential customers that we'll be  
17 launching in 2009 deal with HVAC systems. One is a  
18 program that would install -- provide incentive to  
19 install new HVAC systems and making sure the  
20 customers use the appropriate installers, technicians  
21 so that the equipment is sized properly and installed  
22 properly, it makes a big difference.

1                   And the second program is really  
2   designed to deal with HVAC systems that are already  
3   in place and provide tune-ups and maintenance for  
4   those systems that will help reduce energy usage.

5                   We will also -- on the residential  
6   side, bring in some advanced lighting programs and  
7   will be doing an all-electric single-family home  
8   approach similar to the multi-unit electric sweep,  
9   all-electric sweep where we actually go in and do a  
10  home makeover, in essence, and we'll be targeting  
11  all-electric single-family homes with that. And,  
12  again, those will launch in 2009.

13                  On the business side, we have really  
14  three major programs right off the bat. One is our  
15  C&I prescriptive program and this will be a list of  
16  measures or actions that business customers can take  
17  for which we'll offer incentives, they're based  
18  around lighting, changing out equipment, chillers in  
19  their business to more efficient equipment and we'll  
20  provide incentives to do that.

21                  The second big program is the custom  
22  program and we'll actually invite business customers

1 to come into us with a plan for remaking their  
2 business operations and creating a more  
3 energy-efficient environment. Our engineers will  
4 actually work with them to shape the plan up and make  
5 sure we can provide the incentives and we actually  
6 look for about a two-year payback period for the  
7 business customer under this plan.

8                   The third big program that we've  
9 got -- we find that the small C&I customer class is  
10 probably one of the hardest for us to reach. We have  
11 an account management function that reaches the large  
12 customers. Our call center and our Web site allow us  
13 to reach our residential customers pretty easily.  
14 The small C&I customers are the tough ones to reach  
15 and we want to get them informed and get them in the  
16 stream on energy efficiency and one of the things  
17 we'll be doing is offering an introductory kit to  
18 small commercial and industrial customers that will  
19 provide them with some compact florescent light  
20 bulbs, some information and try to, again, get them  
21 engaged and bring them into the stream of energy  
22 efficiency.

1                   We have a retrocommissioning program  
2   that will start in 2009 that will look at, basically,  
3   remaking buildings and C&I new construction that will  
4   really target on new development and we'll try to get  
5   into buildings while they're being constructed and  
6   put in energy-efficiency systems at that point in  
7   time, which we think is really the most effective  
8   when you can get in on the ground floor and really  
9   make a difference.

10                  We expect the portfolio to evolve over  
11   time. On the residential side, we're starting with  
12   lighting and appliance recycling, they're very basic  
13   programs, but they're very effective as well. But  
14   over time, we would expect to see this develop into  
15   smart homes, more technologically driven activities  
16   for customers. One of the things that has been  
17   talked about and, we're seeing in other jurisdictions  
18   is the idea of putting in smart meters that allow  
19   customers to -- allow the utility to do a number of  
20   things efficiently with respect to outage management,  
21   but it also allows customers to do some things,  
22   remotely control some of their appliances and air

1     conditioners, so there's some technology-based work  
2     that we see in the future that we think will be very  
3     effective.

4                     On the commercial side, it's growing  
5     from the -- prescriptive and custom incentives that  
6     we put together and, again, looking more toward  
7     developing on the new build side where we can really  
8     get into -- really get in the ground floor with the  
9     energy-efficiency activities.

10                    We've got a few other ComEd programs  
11     that are ongoing. I'm not going to spend a lot of  
12     time on, but they're not specifically in the filing  
13     but we will be linking them in when we reach out to  
14     customers to provide them with a wide range of  
15     activities they can undertake to help manage their  
16     bill, we'll be including these as part of that.  
17     Again, just to offer customers as much opportunity to  
18     reduce bill impacts and have a positive impact on the  
19     environment as possible.

20                    Implementing these programs, how are  
21     we going to do this? As I indicated previously, we  
22     expect a Commission decision -- Commission order in

1 mid-February, launching programs in June of 2008.  
2 Subsequent to launching these programs, we will have  
3 in place a very robust reporting and analysis  
4 process. We're going to track the programs, we're  
5 going to track how effective they've been. We expect  
6 to do that in collaboration with the stakeholders  
7 that we've worked with thus far so that we can all  
8 find out what works and monitor these programs as  
9 we're going along. And also, we are putting together  
10 our plans for reaching out to customers and making  
11 sure they're aware of these programs, that they're  
12 informed and that they have an opportunity to  
13 participate.

14 We are -- we have a Web site that  
15 is -- has an energy-efficiency aspect to it. We are  
16 working on updating that and enhancing that and we  
17 would expect to have that in place in March or April  
18 of next year that will provide much more opportunity  
19 to become informed about these programs.

20 We will also use our account  
21 management function to get information out to  
22 customers about these programs, so there's a whole

1     variety of activities that we'll be undertaking to  
2     make sure customers are aware of the programs and can  
3     take advantage of them and see some real reduction in  
4     their bills.

5                     That basically gives you the lay of  
6     the land with respect to this filing and where we're  
7     heading on energy efficiency and I'll turn the floor  
8     over to Hans.

9             CHIEF HEARING OFFICER BENSKO:   Thank you very  
10    much for your presentation.

11            MR. HANS DETWEILER:   Good evening, everybody.  
12    I'm Hans Detweiler.   I'm Deputy Director of the  
13    Illinois Department of Commerce and Economic  
14    Opportunity for Energy and Recycling and it's Hans,  
15    H-a-n-s, Detweiler, D-e-t-w-e-i-l-e-r.   Giving  
16    tonight the same presentation that John Filpel gave  
17    in Springfield several nights ago and the same  
18    presentation that I'll give again in Chicago next  
19    week, so if you have any pointers for the improvement  
20    of the Chicago presentation, please let me know, it's  
21    not too late.

22                     Basically in the program design phase



1     that DCEO went through, there are basically two sort  
2     of groups, as we thought about it, that we talked to.  
3     The first groups were the stakeholders, which were  
4     basically -- by that we mean, the group, actually,  
5     that Anne put up in her presentation. It was  
6     everybody that was active in passing the legislation,  
7     active in the legislature, so the consumer,  
8     environmental and customer groups. And then the  
9     others -- the groups that are going to be helpful to  
10    us in terms of implementing the standards and  
11    significantly maybe some of the larger customers of  
12    the DCEO programs given the very significant public  
13    sector role of DCEO.

14                   The main thing that I would stress  
15    is -- in terms of what we thought about as we were  
16    going through designing the program and how it would  
17    work is that when you really look at the statute and  
18    you go through all of the various requirements of the  
19    statute, by the time you get through all of them as a  
20    bundle, I think there were really very, very few big  
21    decisions that we felt that were actually left to  
22    make. I think -- we made a decision that DCEO would

1 run the low-income programs, the utilities would not  
2 do the low-income programs and we made a decision to  
3 expand the public sector programs beyond the  
4 statutory definition and make them a little bit  
5 larger and include State government facilities and  
6 universities and the training programs, that we would  
7 do those as well, or I think in some ways, they are  
8 statutory requirements to do those as well; but those  
9 are really the decisions we made by the time we got  
10 done dealing with all these factors. What were the  
11 statutory requirements by sector? The important  
12 distinction between the public requirement and the  
13 low-income requirement, the public requirement says  
14 you have to spend at least 10 percent on the  
15 municipal sector, so it's a minimum. That contrasts  
16 to the requirement for the low-income programs. The  
17 low-income programs, it's to be the pro-rata share  
18 that the low-income sector is paying in total utility  
19 bills.

20 The natural partnerships with sister  
21 agencies the Illinois Housing Development Authority  
22 and the Department of Healthcare and Family Services

1     have extensive expertise and have done a lot of  
2     low-income programs for a long time, so we felt that  
3     it made sense to partner with them on an ongoing  
4     basis. We felt it made a lot of sense given the  
5     aggressive ramp-up of the programs over the period of  
6     years and the increasing kilowatt hour reduction  
7     goals over the years of the programs to make the  
8     maximum use of our existing programs just because --  
9     why set aside that program capacity at a time when  
10    you need to expand. So we wanted to maximize the  
11    existing programs and their delivery structures to  
12    the extent that we have them.

13                   We do have some other funding sources  
14    that are not energy-efficiency portfolio standard  
15    funds. We have various federal funds. We  
16    occasionally apply for funds from the Clean Energy  
17    Community Foundation and we also have other State  
18    funds that are slightly less restrictive and, so,  
19    we'll be able to, in some cases, apply those to the  
20    gas-related measures for projects where we're really  
21    doing both gas and electric-related measures.

22                   We need to obviously meet the

1 three-year kilowatt hours goals of the first plan and  
2 we needed to meet those goals within the cost cap and  
3 what that really meant, I think everybody  
4 understands, is that there just has to be a  
5 significant focus on lighting because there's just no  
6 way that we're going to get to the goals within the  
7 cost cap without significant focus on lighting.

8                   Very significantly, we need to  
9 position Illinois to meet the larger term  
10 requirements by developing a robust energy-efficiency  
11 services industry. There's really not one in the  
12 state at this point. If we want to meet the outer  
13 year goals, we want to be able to do that in three or  
14 four years, we're going to need to build the capacity  
15 so that all of the construction and installation  
16 industries that are going to be the vital, sort of  
17 delivery mechanism for a lot of these programs still  
18 exist and they'll have the scale and capacity to do  
19 that, so we need to start training them up now.

20                   And then we'll need flexible budgets  
21 just to -- what that basically means is if the  
22 programs are working well, you go with them and if

1     they're not, you need to be able to move them around  
2     so you can make sure you hit the goals.

3                     Okay.  So DCEO other portfolio  
4     interactions.  As I mentioned, we'll use some of  
5     these other funds.  It ended up being significant in  
6     the program design, especially on some of the  
7     low-income programs where there are going to be some  
8     gas components that are related to that.

9                     And then finally on the training  
10    programs, one of the things to note is that because  
11    of the difficulty of counting kilowatt hour  
12    reductions from the training programs and from the  
13    technical assistance programs due to double counting  
14    or due to any number of other concerns, it basically  
15    didn't count any of those.  And, so, what that means  
16    is because we can't count any of those, we needed to  
17    get the agreements of both of the electric utilities  
18    that we would be able to underperform the 25 percent  
19    kilowatt hour goal and that they would be able to  
20    make up that gap.  So, really, we are the ones that  
21    are doing all of those training programs, but it was  
22    only possible because of the way we did the

1 partnership with the utilities.

2                   So how are we partitioning the  
3 different funds that we have available in terms of  
4 the running programs? The public sector, the  
5 Municipal K through 12 schools and the community  
6 colleges, those are the sectors that are required per  
7 the statute that we have to spend at least 10 percent  
8 of the total portfolio or 40 percent of the DCEO -- a  
9 portion of the portfolio needs to go towards those.  
10 The universities and State facilities, those are in  
11 italics because we added those in, we're not in any  
12 way ignoring the statute, they are simply going to be  
13 beyond the 10 percent requirement or the 40 percent  
14 requirement that the statute establishes for the  
15 other sectors.

16                   The low-income this one, as I said,  
17 this one needs to be by dollars, the pro-rata share  
18 that the low-income sector constitutes and, so, we'll  
19 focus on that and that ended up being about  
20 25 percent of the total program. And then technical  
21 assistance and education and training, that ended up  
22 rounding out with another 10 percent.

1                   In terms of the total program dollars,  
2   I think some of this was reflected in Anne's comments  
3   as well but, basically, ramping up \$13 million in  
4   Year 1 to \$41 and a half million in Year 2 and  
5   Year 3.

6                   Specifically in terms of what the  
7   programs are, I think the important thing to  
8   stress is -- because we don't want to create  
9   confusion in the marketplace and especially because  
10  there are a lot of vendors that are going to be doing  
11  installations on projects that are funded by DCEO and  
12  also by ComEd and Ameren, it is our intent that --  
13  you know, it's very much by design that these  
14  programs really mirror these programs and very  
15  specifically -- I think especially the prescriptive  
16  programs, our offerings will be substantively  
17  identical to their offerings so that we've got a  
18  uniform offerings in the marketplace.

19                  So that explained, we got prescriptive  
20  programs out there which is -- people can choose off  
21  the menu for what works for them. There are the  
22  custom programs that are out there which basically

1 means, what are the things that don't fit under the  
2 prescriptive programs? There is a very fair, open  
3 question that we're just going to have to figure out  
4 as we get into this as to what really is of the  
5 custom sector potential in the public sector, I mean,  
6 how much demand is out there for that kind of stuff?  
7 How much unusual load is there out there? Certainly  
8 there are electric railroads, there are large  
9 hospitals and some of the university labs and maybe  
10 some of the water-pumping systems. We're not really  
11 certain, but we felt it was very important to have  
12 that out there as an option so that if there are  
13 things that don't fit, that we would be able to --  
14 don't fit the prescriptive programs, then we'd be  
15 able to fill them in; but that is definitely subject  
16 of ongoing going evaluation, what the level of need  
17 for public custom programs is.

18                   New construction, again, as one of the  
19 other programs, this will basically be assistance on  
20 a dollar per square foot for projects that exceed the  
21 building code requirements. And lights for learning,  
22 that is a program where we partner with school groups



1 to sell compact florescent light bulbs, so they use  
2 those as a fund-raising opportunity and it both is  
3 educational in nature and that it makes the kids the  
4 proselytizers, the masses of the benefits for compact  
5 florescent and efficient lighting and it also -- the  
6 nice thing about that is you do actually get to count  
7 some actual kilowatt hour reductions from that  
8 program.

9                   The low-income program, the way to  
10 think about this is DCEO has an existing program, the  
11 Energy Efficient Affordable Housing Construction  
12 Program which is -- which is basically this gut rehab  
13 new construction program, we've always had far more  
14 demand for the program than we've had available  
15 funding so we're looking forward to be being able to  
16 expand that program. It's basically -- there's not a  
17 lot of options, though, you have to take the entire  
18 menu of options and then you get a standard payment  
19 per unit for doing that. So it does achieve a very,  
20 very high standard of efficiency, but it's also a  
21 relatively inflexible program and it doesn't make  
22 sense if you are not doing gut construction -- gut

1     rehab or new construction.

2                     So then the moderate rehab -- because  
3     there is a lot of construction that's going on out  
4     there where people aren't really getting into the  
5     walls, it wouldn't make sense -- they wouldn't be  
6     able to meet the turns of the more comprehensive  
7     program, so that's sort of a prescriptive menu for  
8     other developers that we're working with and that  
9     would include IDEA (phonetic) has a good program that  
10    we're going to be partnering with on that front.

11                    The remodeling single-family homes  
12    program is, again, a partnership with other entities  
13    that are already out there that are doing program  
14    service delivery targeting the low-income sector and  
15    Shore Bank is one of -- we mentioned -- Shore Bank is  
16    one of the ones that's pretty well known in the  
17    Chicago area and they're out there and, so, we'll be  
18    able to facilitate some of those projects and be  
19    looking at single-family homes through that and  
20    that's a very nice niche to be able to hit in the  
21    low-income sector.

22                    And then direct install, this is

1 really the command and control partnership with DHFS  
2 and other agencies and nonprofits where you go into  
3 the low-income housing and you make the actual  
4 improvements.

5                   Now, the technical assistance  
6 programs, basically, we have two programs that we  
7 already have that we'll be able to expand the  
8 availability of and the purpose of both of these  
9 programs is both to increase the capacity of service  
10 delivery and energy analysis in the states so that we  
11 can meet the later outer year goals and, also, just  
12 to help provide immediate technical assistance to  
13 customers that are trying to figure out what their  
14 options are and what their cost-effective options for  
15 energy efficiency. So the SEDAC Program used to be  
16 DCEO small business smart energy program, we're now  
17 expending that so it will be available to the public  
18 sector, it's a partnership with the University of  
19 Illinois. It provides energy audits and analysis.

20                   The LEAP Program, which is a  
21 rebranding of manufacturing energy-efficiency  
22 program, it's the large customer energy analysis

1     program.  Again, it's a public sector -- hospitals  
2     will be eligible for a program that used to be -- for  
3     example, will be eligible for a program that used to  
4     be limited only to the manufacturers and really will  
5     help again build the capacity of the number of firms  
6     that are active in the state that can do really  
7     comprehensive analysis, also management practices  
8     assessment as well as technical assessments for large  
9     customers who are really trying to wrap their hands  
10    around significant energy reduction.

11                   Education and training programs, the  
12    thing I'd say about these programs is in some  
13    instances, some of them are in a very directly --  
14    directly required by the statute in the sense that  
15    the statute makes explicit reference to providing  
16    education for codes that have been placed into effect  
17    and the codes education work will be a critical  
18    component to this.  Also, the statute has the later  
19    out-year goals which are large and -- you know, for  
20    example, some of the programs that we're planning on  
21    offering in the commercial HVAC sector, we've got a  
22    huge sector -- a large number of small firms that go

1 in and say, for example, Replace HVAC equipment at  
2 the end of life, we need to be reaching those kinds  
3 of installers, educating that community on more  
4 efficient options so that, for example, they're not  
5 just replacing a like unit with a unit of the same  
6 size but they're actually doing some analysis as to  
7 what's the appropriate size, what's the right size  
8 for the equipment that's going in, are there other  
9 measures they can put it in at the same time which  
10 would enable them to put in a smaller system, things  
11 like that, that -- those are the kinds of skills that  
12 they need to learn in order for them to be able to  
13 help us meet the later year goals of the standard.

14 In the initial implementation, DCEO  
15 and the utilities filed proposed deemed savings and  
16 net to gross values. Basically, the thinking is that  
17 these would apply and then as we do the collaborative  
18 and there's an evaluator that's brought on board. If  
19 it is determined that there needs to be changes, then  
20 any of those changes in the deemed values would apply  
21 going forward from that point, but there wouldn't  
22 be -- there wouldn't be a change from the initial

1     deemed values for the period prior to that change.

2                     We very much support the ongoing

3     collaborative -- and I think this sort of lays out of

4     some of the key components of that would be we work

5     with all the interested parties, it would be a

6     collaborative design with -- would be tasked with

7     finalizing the evaluation, drafting the RFP, hiring

8     evaluators, the evaluators, and "evaluators," it's

9     clear in the statute can be paid no more than

10    3 percent that is set aside in the statute, but we

11    very much think that the portfolio programs are a

12    work in progress and it's going to be very important

13    to continue to get stakeholder's feedback from a

14    variety of stakeholders in terms of which programs

15    are working in terms of how the evaluations are

16    going, what the evaluators are saying in terms of

17    actual savings, and, so, we think that process is

18    going to be critical to the long-term success of the

19    program.

20                    These are just some numbers in terms

21    of the total energy efficiency and renewable

22    portfolio standard impacts by 2015, these are both

1     for the DCEO programs and the utilities programs and  
2     the EEPS all rolled in together so it would result in  
3     6.3 million megawatt hours of reductions by that  
4     time, about 2,400 megawatts of renewable energy,  
5     mostly wind energy installed, significant C02  
6     reductions, a significant amount of job recreation,  
7     economic growth and renewables in the efficiency side  
8     and additional \$2 and a half million in economic  
9     activity stimulated by the program. So I think  
10    that -- as the economic development agency, it's  
11    critical to point out there are broad economic  
12    benefits from the implementation of this package.

13                   And also to summarize briefly, the  
14    environmental benefits in terms of the electricity  
15    savings and the C02 reductions, I think those charts  
16    are just the same information, but it's helpful to  
17    see the graph display it and that is it.

18           CHIEF PUBLIC HEARING OFFICER BENSKO: Thank  
19    you.

20                   Next, I will call on the people that  
21    have signed up to speak. I have turned on that  
22    microphone in the back so that you can stand back

1     there and speak. Be sure that you state your name  
2     and spell it so that the court reporter has an  
3     accurate record.

4                     The first person is Anne McKibbin and  
5     Anne's with CUB, the Citizens Utility Board.

6             MS. MCKIBBIN: Hi, my name is Anne McKibbin,  
7     that's A-n-n-e, M-c-K-i-b-b-i-n, and I'm a senior  
8     policy analyst and attorney with the Citizens Utility  
9     Board.

10                    Energy efficiency and demand response  
11     are good for Illinois consumer's pocketbooks and it's  
12     goods for the environment, it's good for Illinois.  
13     We were very glad to see the legislation that  
14     required these projects and we're very glad to see  
15     that the proposals have been pretty well thought out  
16     and also the stakeholder process, we were glad that  
17     you all invited us to give input before you made the  
18     proposals, that was -- we appreciate that and now we  
19     want to see these proposals work.

20                    Energy efficiency and demand response  
21     are really the best way for residential consumers,  
22     especially energy efficiency, to gain control of



1     their own utility bills. Residential consumers, they  
2     face some barriers to doing energy efficiency on  
3     their own, high up-front costs of equipment, for  
4     example, tenants often -- you know, they don't own  
5     things like water heaters or the windows or anything  
6     like that but they still have to pay the bills that  
7     are determined by that equipment and, so, these  
8     programs, we hope go a good way to start helping  
9     Illinois consumers overcome those barriers and be  
10    able to take control of their own utility bills and  
11    we want to reduce those.

12                   We're optimistic about these programs  
13    in the way they've been proposed and we look forward  
14    to working with ComEd and DCEO and Ameren as well on  
15    their implementation and to make more detailed  
16    comments as the proposals -- before the proposals are  
17    approved, so thank you.

18           CHIEF PUBLIC HEARING OFFICER BENSKO: Thank you  
19    very much for your comments.

20                   Charles Kubert.

21           MR. CHARLES KUBERT: Hi, My name is Charles  
22    Kubert, K-u-b-e-r-t, I'm an environment business

1 specialist with the Environmental Law and Policy  
2 Center of Chicago. We want to applaud -- I want to  
3 echo Anne McKibbin's comments. We will applaud ComEd  
4 and DCEO for filing very, very detailed plans in a  
5 very short time period. When this process started  
6 off on August 28th, it was hard to believe that they  
7 would actually get the plans filed by November 15th  
8 and having participated in the stakeholder process  
9 and seeing the thousands of potential programs that  
10 they evaluated, just to evaluate those programs, much  
11 less file a plan I think is impressive.

12                   This is a great first step towards  
13 recognition of energy efficiency as an important and  
14 vital part of Illinois' energy mix and a key element  
15 of Illinois global warming reduction actions, while  
16 at the same time, lowering utility bills for every  
17 one in the state.

18                   We at the ELPC are in the process of  
19 reviewing the plans to ensure maximum savings for the  
20 dollars invested to be sure that we actually get  
21 equal or exceed the kilowatt hour targets for the  
22 programs. We are a little bit concerned about the --

1 to ensure that the programs have an adequate level of  
2 programs specificity, in particular, we're  
3 concerned -- and I think these are elements that will  
4 probably come through -- come out in the hearing  
5 process, how will the subcontractors be selected to  
6 implement these programs and really a lot -- a little  
7 bit more detail on how the programs will actually be  
8 delivered to the customers, both residential and  
9 commercial. We understand what the programs are. We  
10 want to know how they're actually going to -- how the  
11 programs are actually going to be delivered to ensure  
12 that the maximum -- the target amounts of customers  
13 do participate.

14 Finally, we're concerned, in  
15 particular, about the lack of adequate funding for  
16 what ComEd is terming the retrocommissioning program  
17 or what were sort of generally terming commercial  
18 building audits. While we understand why there was a  
19 shortfall in funding for these programs, in essence,  
20 we understand the challenges related to measuring the  
21 potential energy savings and the potential energy  
22 impacts of these programs. We believe that there are

1 millions of dollars of low costs -- no cost energy  
2 savings waiting to be captured and we urge the  
3 Commerce Commission and ComEd to attempt to redirect  
4 some of the money towards these programs. Thank you.

5 CHIEF PUBLIC HEARING OFFICER BENSKO: Thank  
6 you, Charles.

7 Allen Penticoff.

8 MR. ALLEN PENTICOFF: My name is Allen  
9 Penticoff, the first name is spelled A-l-l-e-n, last,  
10 P-e-n-t-i-c-o-f-f, and I'm with Green Communities  
11 Coalition, we're a Rockford-based green roots  
12 organization dedicated to improving the environment  
13 and from -- I'm very new to this plan here tonight  
14 and from what I can tell with the brief amount of  
15 time that I can analyze it, it sounds like a good  
16 program with some caveats, as he's just brought out,  
17 that might need a little attention.

18 I'm going to talk about one specific  
19 thing that I think should be part of the plan and  
20 that is energy efficiency for consumers can be  
21 greatly encouraged by making in house, that is, whole  
22 house power use monitors available at a reduced cost.

1 With consumers able to directly witness their energy  
2 costs and see immediate results of conservation  
3 techniques that will be -- they will quickly adopt  
4 attitudes of rigorous conservation, not unlike in a  
5 Toyota Prius where gas mileage and energy monitoring  
6 becomes a game to conserve as much gas as possible  
7 while driving. These devices are presently under  
8 \$150 now and are easy to install and should be a key  
9 component of Illinois and ComEd efforts to reduce  
10 electrical demand and should be included in this  
11 plan. And I'll conclude with similar inexpensive  
12 devices for natural gas and in our motor vehicles  
13 would have beneficial proactive conservation results  
14 as well, we believe. Thank you.

15 CHIEF PUBLIC HEARING OFFICER BENSKO: Thank you  
16 very much.

17 R.L. Vogl.

18 MR. ROBERT VOGL: I'm Robert Vogl, V- as in  
19 Victor, o-g-l, with the Illinois Renewable Energy  
20 Association and when I signed up out there, I didn't  
21 realize I was going to speak. I thought it was a  
22 registry, but I do have two concerns.

1                   One is that we all know that customers  
2   don't behave well in terms of energy consumption. We  
3   run programs and they're buying all these gadgets for  
4   the computer and they're running up big consumption  
5   levels in that area. I don't know how to address  
6   that issue, but I don't think I see it addressed in  
7   the document and I think there needs to be some  
8   attention paid to that.

9                   And then the second point is load  
10   shifting, that used to be a big part of programs --  
11   efficiency programs back in the '70s, meaning that  
12   one could sign an agreement to, say, not run the  
13   washer/dryer until after 8:00 o'clock, I'm not sure  
14   if I see that component in the program as well and  
15   since I wasn't prepared to talk, I better be quiet.  
16   Thank you.

17                  CHIEF PUBLIC HEARING OFFICER BENSKO: I  
18   appreciate you talking, Robert. Is there anyone else  
19   in the audience that would like to speak at this  
20   time?

21                  MR. MIKE GLENNAN: (Indicating.)

22                  CHIEF PUBLIC HEARING OFFICER BENSKO: Yes, sir.

1           MR. MIKE GLENNAN:   Good evening.   My name is  
2   Mike Glennan, M-i-k-e, G- as in George, l-e-n-n-a-n,  
3   and I am just a regular consumer and I want to thank  
4   you, Mr. Box, for having the Commission hearing here  
5   where consumers can speak and, first of all, I'd like  
6   to thank the ComEd lady here, it was an excellent  
7   presentation, but you seem to be proposing  
8   cost-effective electric consumption for consumers,  
9   but I didn't get any knowledge of the methods that  
10   you were going to use to implement these  
11   cost-effective methods of our consumption and as I  
12   rent an apartment down the street at the large Faust  
13   building and I see the management of the -- consuming  
14   of that building that's a total energy sieve, but  
15   what are you going to do -- what's ComEd going to do  
16   to reduce the cost that each of us apartment renters  
17   pay our own electric bill and it's costly?

18                           And then from Mr. Detweiler, thank you  
19   for turning your mic -- getting close to the mic.  
20   But on the training programs you were talking about,  
21   who is trained by whom and who is going to be the  
22   vendors?   Are you going to train the vendors?   At one

1     time in the '70s I had done work -- something like  
2     that for Northern Illinois Gas in Kane County, we  
3     would insulate homes but, I don't know, maybe you are  
4     talking about the same kind of a thing but, you know,  
5     those are just my only questions because it all boils  
6     down to what are we paying per month for electricity?

7             CHIEF PUBLIC HEARING OFFICER BENSKO:   Thank  
8     you, sir.   Are there any more -- anyone else that  
9     would like to speak on the record at this time?

10                     (No response.)

11                    Okay.   What I'm going to do now is I'm  
12     going to adjourn the meeting and send the court  
13     reporter home and then we will have a  
14     question-and-answer period for everyone.   So if you  
15     give me about five minutes we'll -- then we'll start  
16     in with the question-and-answer period.

17                     (Which were all  
18                       the proceedings had.)

19

20

21

22